



Northeastern

November, 13, 2023

Letter from the Senior Vice President for Finance and Treasurer – Fiscal Year 2023

In the 125 years since its founding, Northeastern's embrace of global experience has been a force for shaping, learning and solving problems. This year, we continued to see unprecedented demand for Northeastern's unique learning model, with more than 96,000 undergraduate applications for Fall 2023. Our research enterprise was awarded \$282.4 million in external funding. We raised \$120.0 million in gifts and pledges toward our newly launched \$1.3 billion Experience Powered by Northeastern campaign. And we expanded our global university system: First with the establishment of our Miami campus—our 13th— to support the talent needs of the region, and then with the addition of two new hubs for our renowned Network Science Institute, one at our Portland campus in Maine and another at Northeastern University London.

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I am pleased to present the university's audited financial statements for fiscal year 2023. For the year ending June 30, 2023, the University demonstrated strong financial performance and remains in a solid financial position at year end.

The University's total assets increased \$553.0 million, or 10% from fiscal year 2022, to \$6.0 billion from growth in cash and investments, and property, plant and equipment. The university continues to report healthy cash flows from operations with a strong current operating liquid cash position of \$402.0 million as of June 30.

Total liabilities increased \$283.0 million, or 14%, during this period to \$2.3 billion. Changes in liabilities were driven by the new bond debt issuance offset by principal payments on long term debt. During fiscal year 2023 the University issued tax-exempt, fixed rate bonds totaling \$378.5 million. Bond proceeds were used to refund bonds MDFA Series 2012 and Series T bonds, and to fund capital projects.

Overall, total net assets increased by 8%, or \$270.0 million, during fiscal 2023 with an ending balance of \$3.7 billion on June 30. The increase in the



university's net assets from operations totaled \$132.4 million and \$137.7 million from non-operating activity. Operating revenues and other support increased 15% to \$2.0 billion for fiscal year 2023, driven primarily by continued growth in net student related revenues, growth in graduate education programs, and continued strong donor support. University sponsored revenue, including research and related indirect cost recovery, grew 17% in fiscal 2023. The increase in operating revenues and other support was offset by a 17% increase in operating expenses due primarily to increases in salaries and benefits and depreciation and interest.

Non-operating activity also contributed to overall net asset increases. Favorable market conditions resulted in positive market returns on the University's investments totaling \$135.0 million, including realized and unrealized gains and losses, and investment income. Market to market valuation on the university's Series T interest rate swap resulted in an unrealized gain and reduced the swap liability by \$11.0 million.

Overall, we continue to see strong demand for Northeastern's distinctive education model. Through prudent fiscal management, the university manages costs amidst economic uncertainty and continues to optimize its ability to respond as conditions evolve and opportunities emerge.

Sincerely,

A handwritten signature in blue ink that reads "Thomas Nedell".

Thomas Nedell
Senior Vice President for Finance and Treasurer